

FISCAL MANAGEMENT NEWS\$

August 2005

(A Newsletter Published by the Fiscal Management Division of OMB)

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Effective Dates of Legislation

Bills with an emergency clause are effective immediately when signed by the Governor.

Revenue and appropriation bills are effective July 1, 2005.

All other legislation, such as travel reimbursement is effective August 1, 2005 unless a specific implementation date is included in the bill.

Travel Reimbursement Changes Effective August 1, 2005

In-State Meal Allowance:

- 1st Quarter increased from \$ 4.00 to \$ 5.00
- 2nd Quarter increased from \$ 6.00 to \$ 7.50
- 3rd Quarter increased from \$ 10.00 to \$12.50

Lodging: Increased from \$45 plus taxes to \$50 plus taxes

In-State Mileage: Increased from 31¢ per mile to 37.5¢ per mile. There is no longer a separate reimbursement rate for travel by truck.

New Employees in Fiscal Management



Doreen, Tina, Denise, and Toby

Fiscal Management has four new employees since our last publication. Doreen Schumacher, Administrative Officer II, started with OMB in June 2004. She came from ND Legal Services. Doreen works with the PeopleSoft system and worked for OMB years ago when SAMIS was implemented. Nice to have you back, Doreen!

Tina Bauer, State Payroll Specialist, started with OMB in February 2004. She came from the Division of Human Resources, Department of Human Services, where she worked for 15 years with human resource issues and payroll. Welcome Tina!

Denise Brown, State Payroll Specialist, is our most recent addition. Denise came from the Sheridan County Auditor's Office where she worked for 15 years. Denise recently married Clark Brown from Baldwin on July 15. Welcome and congratulations to Denise and Clark!

Toby Mertz, joined OMB in January 2005 as an Accounting Budget Specialist III. Toby came to OMB from Job Service ND after six years of employment there. Toby works with PeopleSoft, runs queries and is involved with interest and cost allocations. Toby, it is great to have you as part of the OMB team!



National Payroll Week

The State of North Dakota is joining in the salute to the American worker and payroll professionals by participating in National Payroll Week, September 5-9, 2005.

There are 9,132 people employed with the State of North Dakota who expect that paychecks are accurate and on time. National Payroll Week is a public awareness campaign that pays tribute to payroll professionals and the more than 155 million people who work in the United States. National Payroll Week highlights the payroll professionals who support the American system by not only processing wages, but also reporting earnings and withholding employment taxes that keep America running smoothly.

Take a minute to thank your payroll clerk for getting your payroll check or direct deposit to you.



Good News for Revenues...

It is always a painful process for state fiscal personnel when revenue growth does not meet expectations. Budget constraints and allotments force tough choices and make our jobs difficult. Fortunately, just the opposite is true in North Dakota. Not only did the 2003-05 biennium revenues exceed the original estimates made in March 2003, they also exceeded the more recent 2005 legislative forecast.

The original forecast for the 2003-05 biennium provided for \$1.808 billion in general fund revenues; the final forecast provided for \$1.919 billion. Actual revenues exceeded \$1.953 billion.

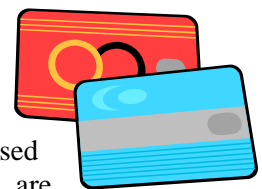
The 2005 Legislative Assembly adopted a conservative revenue forecast for the 2005-07 biennium, providing for \$1.935 billion of general fund revenue. High oil prices and ever increasing taxable sales and purchases continue to fuel the growth in state revenues.

When the Legislative Assembly adjourned in April, the best estimates available at that time showed that the statutorily required transfer to the budget stabilization fund (pursuant to NDCC Section 54-27.2-02, any end of biennium balance in the general

fund in excess of \$65.0 million is required to be transferred to the budget stabilization fund) would result in \$64.5 million being deposited in the fund. The actual amount to be transferred will exceed \$99.0 million. In addition, more than \$10.0 million is anticipated to accumulate in the permanent oil tax trust fund by the end of the 2005-07 biennium, more if oil prices continue at the current level. These accumulating trust fund moneys provide assurance that North Dakota's sound financial position will continue well into the future.

P-Card Program

The number of cardholders in the Purchasing Card program has increased significantly and more people are enjoying the benefits of using the purchasing card. The total spend for the state went over the \$5 million mark in 2004 thanks to proactive agency P-card administrators who have been pushing for more card usage. Our goal is to enroll all agencies and increase the spend even more. If you are not currently using the program and wish to do so, contact Sharon Franklin at 328-4904 or Kirstin Gibson at 328-2680.



It has been quite some time since the program was implemented in 1999, so we are working on a RFP to secure a new vendor, or possibly stay with the current vendor. Our hope is to be able to offer enhancements to the program and have this completed by the end of December 2006.

New setups should be completed on the forms from our web site and forwarded to OMB. Other changes can be made via email by stating the cardholder name, last 8-digits of card number, the request, and the reason for the change. When the changes or setup have been completed, agencies will be notified. Credit limit changes go into effect immediately. Other changes go into effect after midnight of the day the change was made.

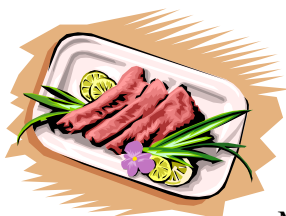
The PeopleSoft system was implemented with the P-card program in October 2004. One advantage is that agencies are able to reallocate their P-card transactions before payment is made to the credit card company (ELAN). In cases where transactions cannot be reallocated in time, charges post to a default account code and can be corrected by a journal voucher at a later date. Feel free to contact OMB if you have any questions.

Upcoming Events in the HRMS PeopleSoft Payroll System



We are now in the planning phase of an upgrade for the PeopleSoft payroll system. We will begin the upgrade to Version 8.9 this fall with a go live date next spring. This upgrade will be a project that will entail many changes to the payroll system. One of the many changes will be the look of the screens. There will no longer be "breadcrumbs" at the top of all the pages, but will follow the look of the PeopleSoft Financial Modules, using the portal navigation concept. Another new development will be the implementation of Absence Management. This functionality includes employees entering leave requests online, supervisors approving requests online, and the requests automatically being recorded on the employees' payline. There will also be other enhancements with this upgrade.

Another project underway within the HRMS PeopleSoft Payroll system is the deployment of self-service to state employees. At the present time all HR and Financial Users on PeopleSoft have self-service capabilities to view their benefits, leave balances, paychecks, and some personal information. We will roll out this functionality to all employees on an agency-by-agency basis. This functionality is planned to be rolled out to all agencies by the end of December 2005.



Free Lunch Hidden in BARS Manual

Sheila Peterson and Joe Morrisette took Ross Mushik from the Division of Emergency Services to lunch. It was his reward for going through the BARS Manual so thoroughly. Sheila and Sandy Paulson took Anita Hoffman from the Housing Finance Agency to lunch for being the second caller to find the free lunch in the BARS Manual.

Thanks for reading the budget instructions Ross and Anita!

2007-09 Budget Preparation

Now that the 2005 Legislative session is finished, the Budget Office has started preparation for the 2007-09 budget requests which include:

- Interfaces with PeopleSoft human resources and general ledger modules
- Supporting schedule updates and changes in BARS
- Additional reports and report modifications
- Updating to Peoplesoft terminology
- Enhancing validation procedures

It is anticipated that the updated system will be available for 2007-09 budget preparation in March 2006. Agencies with questions or suggestions are encouraged to contact their budget analyst.

Phone numbers for the budget staff are:

Sheila Peterson	328-4905
Celeste Kubasta	328-4947
Sandy Paulson	328-2148
Joe Morrisette	328-1024
Lori Laschkewitsch	328-2685

SWICAP

If your agency is funded only by the general fund, you may not be familiar with SWICAP or the Statewide Indirect Cost Allocation Proposal. However, agencies that receive federal funds or are supported by special funds, receive an annual notification from OMB advising them of their share of statewide indirect costs.

Statewide indirect costs are the cost of services that agencies receive without any type of expense or billing. For example, agencies are not charged for the cost of processing a check in the treasurer's office or for the time a purchasing agent may spend assisting an agency with preparing a bid or placing an order. Other examples are services provided by the central mailroom and the human resources department. The total indirect costs based on fiscal year 2003 are \$3.7 million. All indirect cost revenue received from billings by OMB are deposited in the general fund.

At the end of each fiscal year the Office of Management and Budget works with a consulting firm, currently Maximus, to prepare a cost allocation proposal that meets federal standards. The proposal identifies all allowable indirect costs, and based on various formulas and approved allocation methods, distributes the costs to all state agencies. Once the statewide proposal is approved by the U.S. Department of Health and Human Services, agencies can include the allocated costs in their indirect cost rate proposals.

If you have any questions about the statewide indirect cost allocation process, contact Sandy Paulson at 328-2148.

GFOA Award Received for 2003-05 Budget

The Government Finance Officers Association (GFOA) of the United States and Canada has notified the Office of Management and Budget that North Dakota has received GFOA's Distinguished Budget Presentation Award for its 2003-05 budget documents. This is the sixth biennial budget award received by the OMB staff.



CAFR Award

For the 13th consecutive year, the Fiscal Management Division of OMB has been awarded the Certificate of Achievement for Excellence in Financial Reporting for the FY2003 CAFR (Comprehensive Annual Financial Report) of the State.

The prestigious award is presented by the Government Finance Officers Association of the United States and Canada. You may view our award-winning report at:
<http://www.nd.gov/fiscal/CAFRIndex.htm>

Web Sites and Policies Updated

The Fiscal and OMB web sites are up to date with the new state banner and links to the state site. The 2005-07 Legislative Appropriations book for the budget is on the Fiscal Management web site at:
<http://www.nd.gov/fiscal/>

The Fiscal and Administrative Policy Manual has been updated effective August 1, 2005, which includes the latest meal allowance, lodging, and mileage rates.

The OMB web site includes a link to the PeopleSoft portal, which will allow employees access to personal information at: <http://www.nd.gov/omb/>

If you have any questions or comments concerning this newsletter, please call 701-328-4904.

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